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# PRELIMINARY DRAFT

## No. 3400

PREPARED BY  
LEGISLATIVE SERVICES AGENCY  
2013 GENERAL ASSEMBLY

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### DIGEST

**Citations Affected:** IC 4-21.5-2-6; IC 12-7-2-149.1; IC 12-17.2.

**Synopsis:** Child care and development fund. Specifies requirements that must be met by a child care provider as a condition of eligibility to receive a federal Child Care and Development Fund voucher payment. Sets forth a disciplinary process for suspension or revocation of eligibility.

**Effective:** July 1, 2013.



A BILL FOR AN ACT to amend the Indiana Code concerning human services.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 4-21.5-2-6, AS AMENDED BY P.L.219-2007,  
2       SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3       JULY 1, 2013]: Sec. 6. This article does not apply to the formulation,  
4       issuance, or administrative review (but does apply to the judicial  
5       review and civil enforcement) of any of the following:

6               (1) Except as provided in **IC 12-17.2-3.5-17**, IC 12-17.2-4-18.7,  
7               and IC 12-17.2-5-18.7, determinations by the division of family  
8               resources and the department of child services.

9               (2) Determinations by the alcohol and tobacco commission.

10              (3) Determinations by the office of Medicaid policy and planning  
11              concerning recipients and applicants of Medicaid. However, this  
12              article does apply to determinations by the office of Medicaid  
13              policy and planning concerning providers.

14       SECTION 2. IC 12-7-2-149.1, AS AMENDED BY P.L.143-2011,  
15       SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
16       JULY 1, 2013]: Sec. 149.1. "Provider" means the following:

17              (1) For purposes of IC 12-10-7, the meaning set forth in  
18              IC 12-10-7-3.

19              (2) For purposes of the following statutes, an individual, a  
20              partnership, a corporation, or a governmental entity that is  
21              enrolled in the Medicaid program under rules adopted under  
22              IC 4-22-2 by the office of Medicaid policy and planning:

23                      (A) IC 12-14-1 through IC 12-14-9.5.

24                      (B) IC 12-15, except IC 12-15-32, IC 12-15-33, and  
25                      IC 12-15-34.

26                      (C) IC 12-17.6.

27              (3) Except as provided in ~~subdivision~~ **subdivisions (4) and (6)**,  
28              for purposes of IC 12-17.2, a person who operates a child care  
29              center or child care home under IC 12-17.2.

30              (4) For purposes of IC 12-17.2-3.5, a person that:

31                      (A) provides child care; and



(B) is directly paid for the provision of the child care under the federal Child Care and Development Fund voucher program administered under 45 CFR 98 and 45 CFR 99.

The term does not include an individual who provides services to a person described in clauses (A) and (B), regardless of whether the individual receives compensation.

(5) For purposes of IC 12-21-1 through IC 12-29-2, an organization:

(A) that:

- (i) provides mental health services, as defined under 42 U.S.C. 300x-2(c);
- (ii) provides addiction services; or
- (iii) provides children's mental health services;

(B) that has entered into a provider agreement with the division of mental health and addiction under IC 12-21-2-7 to provide services in the least restrictive, most appropriate setting; and

(C) that is operated by one (1) of the following:

- (i) A city, town, county, or other political subdivision of the state.
- (ii) An agency of the state or of the United States.
- (iii) A political subdivision of another state.
- (iv) A hospital owned or operated by a unit of government or a building authority that is organized for the purpose of constructing facilities to be leased to units of government.
- (v) A corporation incorporated under IC 23-7-1.1 (before its repeal August 1, 1991) or IC 23-17.
- (vi) An organization that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code.
- (vii) A university or college.

**(6) For purposes of IC 12-17.2-2-10, the following:**

**(A) A person described in subdivision (4).**

**(B) A child care center licensed under IC 12-17.2-4.**

**(C) A child care home licensed under IC 12-17.2-5.**

SECTION 3. IC 12-17.2-2-1, AS AMENDED BY P.L.1-2009, SECTION 105, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. The division shall perform the following duties:

- (1) Administer the licensing and monitoring of child care centers or child care homes in accordance with this article.
- (2) Ensure that a national criminal history background check of the applicant is completed through the state police department under IC 10-13-3-39 before issuing a license.
- (3) Ensure that a criminal history background check of a child care ministry applicant for registration is completed before



1 registering the child care ministry.

2 (4) Provide for the issuance, denial, suspension, and revocation of  
3 licenses.

4 (5) Cooperate with governing bodies of child care centers and  
5 child care homes and their staffs to improve standards of child  
6 care.

7 (6) Prepare at least biannually a directory of licensees with a  
8 description of the program capacity and type of children served  
9 that will be distributed to the legislature, licensees, and other  
10 interested parties as a public document.

11 (7) Deposit all license application fees collected under section 2  
12 of this chapter in the division of family resources child care fund  
13 established by IC 12-17.2-2-3.

14 (8) Require each child care center or child care home to record  
15 proof of a child's date of birth before accepting the child. A child's  
16 date of birth may be proven by the child's original birth certificate  
17 or other reliable proof of the child's date of birth, including a duly  
18 attested transcript of a birth certificate.

19 (9) Provide an Internet site through which members of the public  
20 may obtain the following information:

21 (A) Information concerning violations of this article by a  
22 licensed child care provider, including:

23 (i) the identity of the child care provider;

24 (ii) the date of the violation; and

25 (iii) action taken by the division in response to the violation.

26 (B) Current status of a child care provider's license.

27 (C) Other relevant information.

28 The Internet site may not contain the address of a child care home  
29 or information identifying an individual child. However, the site  
30 may include the county and ZIP code in which a child care home  
31 is located.

32 (10) Provide or approve training concerning safe sleeping  
33 practices for children to:

34 (A) a provider who operates a child care program ~~in the~~  
35 ~~provider's home~~ as described in ~~IC 12-17.2-3.5-5.5(b);~~  
36 **IC 12-17.2-3.5-5.5;** and

37 (B) a child care home licensed under IC 12-17.2-5;

38 including practices to reduce the risk of sudden infant death  
39 syndrome.

40 SECTION 4. IC 12-17.2-2-10, AS AMENDED BY P.L.145-2006,  
41 SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
42 JULY 1, 2013]: Sec. 10. (a) The division may grant a variance or  
43 waiver of a rule governing ~~child care centers, or child care homes: a~~  
44 **provider.** A variance or waiver granted under this section must  
45 promote statewide practices and must protect the rights of persons  
46 affected by this article.



(b) The division may grant a variance to a rule if ~~an applicant for a license or a licensee under this chapter~~ **provider** does the following:

(1) Submits to the division a written request for the variance in the form and manner specified by the division.

(2) Documents that compliance with an alternative method of compliance approved by the division will not be adverse to the health, safety, or welfare of a child receiving services from the applicant for the variance, as determined by the division.

(c) A variance granted under subsection (b) must be conditioned upon compliance with the alternative method approved by the division. Noncompliance constitutes the violation of a rule of the division and may be the basis for revoking the variance.

(d) The division may grant a waiver of a rule if ~~an applicant for a license or a licensee under this chapter~~ **provider** does the following:

(1) Submits to the division a written request for the waiver in the form and manner specified by the division.

(2) Documents that compliance with the rule specified in the application for the waiver will create an undue hardship on the applicant for the waiver, as determined by the division.

(3) Documents that the applicant for the waiver will be in substantial compliance with the rules adopted by the division after the waiver is granted, as determined by the division.

(4) Documents that noncompliance with the rule specified in the application for a waiver will not be adverse to the health, safety, or welfare of a child receiving services from the applicant for the waiver, as determined by the division.

(e) Except for a variance or waiver of a rule governing child care homes, a variance or waiver of a rule under this section that conflicts with a building rule or fire safety rule adopted by the fire prevention and building safety commission is not effective until the variance or waiver is approved by the fire prevention and building safety commission.

SECTION 5. IC 12-17.2-3.5-1, AS AMENDED BY P.L.124-2007, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) This chapter applies to all child care providers regardless of whether a provider is required to be licensed or registered under this article. However, **except as provided in section 4(b) of this chapter**, a child care provider that is licensed under IC 12-17.2-4 or IC 12-17.2-5 is considered to be in compliance with this chapter. ~~unless the child care provider is found to be in violation of this chapter:~~

(b) If a school age child care program that is:

(1) described in IC 12-17.2-2-8(10); and

(2) located in a school building;

is determined to be in compliance with a requirement of this chapter by another state regulatory authority, the school age child care program is



considered to be in compliance with the requirement under this chapter.

SECTION 6. IC 12-17.2-3.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. (a) A provider who:

(1) has been convicted of a:

(A) felony;

(B) misdemeanor related to:

(i) the health or safety of a child; **or**

(ii) **welfare fraud;**

(C) misdemeanor for operating a child care center without a license under IC 12-17.2-4-35; or

(D) misdemeanor for operating a child care home without a license under IC 12-17.2-5-35;

(2) ~~employs or otherwise~~ allows an individual who has been convicted of a crime specified under subdivision (1) to:

(A) serve as ~~a caregiver to a child in an employee or volunteer in the facility where the provider's care;~~ **provider operates a child care program;** or

(B) reside with the provider, if the provider operates a child care program in the provider's home; ~~or~~

**(3) has had a revocation of eligibility under this chapter during the immediately preceding two (2) years; or**

~~(3) (4) fails to meet the requirements set forth in sections 5 through 12.1 of this chapter;~~

is ineligible to receive a voucher payment.

**(b) A provider whose:**

**(1) license under IC 12-17.2-4 or IC 12-17.2-5; or**

**(2) compliance with this chapter;**

**is subject to an enforcement action is ineligible to receive a voucher payment, regardless of whether the provider meets the requirements of this chapter, until the outcome of any administrative appeal under IC 4-21.5-5 reflects a final determination that the provider's license or eligibility is in good standing.**

SECTION 7. IC 12-17.2-3.5-4.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4.1. (a) This section applies to the following:

(1) A provider, if the provider is an individual.

(2) If a provider operates a child care program in the provider's home, an individual who resides with the provider and who is at least eighteen (18) years of age.

(3) An individual who:

(A) is employed; or

(B) volunteers;

~~as a caregiver~~ at the facility where a provider operates a child care program.



(b) If information used by the division under ~~IC 31-33-17-6(7)~~  
**IC 31-33-26-16(a)(10) or obtained by the division under section 27**  
**of this chapter** indicates that an individual described in subsection (a)  
 has been named as ~~an alleged~~ a perpetrator, the following are ineligible  
 to receive a voucher payment:

(1) The individual.

(2) A provider in whose home the individual resides if the  
 provider operates a child care program in the provider's home.

(3) A provider that:

(A) employs the individual; or

(B) allows the individual to volunteer;

~~as a caregiver~~ at the facility where the provider operates a child  
 care program.

SECTION 8. IC 12-17.2-3.5-5 IS AMENDED TO READ AS  
 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. (a) A provider shall  
 have

~~(1) working smoke detectors that meet the standards adopted by~~  
~~rule for smoke detectors in licensed child care homes; and~~

~~(2) hot and cold running water~~

in the area of the facility where the provider operates a child care  
 program.

(b) A provider shall maintain compliance with food, health,  
 safety, and sanitation standards as determined by the division  
 under rules adopted by the division under section 15 of this chapter  
 or in accordance with a variance or waiver approved by the  
 division under IC 12-17.2-2-10.

(c) The food, health, safety, and sanitation standards adopted  
 under subsection (b) must include standards governing the  
 following:

(1) Not later than July 1, 2014, bathroom and handwashing.

(2) Safe conditions in and on the grounds.

(3) Maximum capacity limits for the number of children  
 receiving care.

(4) Nutrition.

(5) Daily activities.

(6) Not later than July 1, 2014, safety of motor vehicles used  
 to transport children.

SECTION 9. IC 12-17.2-3.5-5.5, AS AMENDED BY P.L.162-2005,  
 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 JULY 1, 2013]: Sec. 5.5. (a) A provider shall ensure that a child in the  
 provider's care is continually supervised by a caregiver.

(b) A provider ~~who operates a child care program in the provider's~~  
~~home (including a child care home licensed under IC 12-17.2-5) and~~  
~~who receives a voucher payment under this chapter that cares for~~  
**children who are less than twelve (12) months of age shall:**

(1) complete the training course provided or approved by the



division under IC 12-17.2-2-1(10) concerning safe sleeping practices; and

**(2) ensure that all caregivers of children who are less than twelve (12) months of age follow safe sleeping practices.**

**(c) Not later than July 1, 2015, a provider that cares for:**

**(1) sixteen (16) or fewer children at a facility where the provider operates a child care program shall maintain a ratio of children to caregivers in the same proportions as the child to staff ratios that are required for a child care home under IC 12-17.2-5; and**

**(2) more than sixteen (16) children at a facility where the provider operates a child care program shall maintain a ratio of children to caregivers in the same proportions as the child to staff ratios that are required for a child care center under IC 12-17.2-4.**

SECTION 10. IC 12-17.2-3.5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. **(a)** A provider shall have written plans for notifying parents regarding the following:

(1) Illness, serious injury, or death of the provider.

(2) Care in an emergency.

(3) Emergency evacuation.

The plan required under subdivision (3) must be posted in a conspicuous location in the facility where the provider operates a child care program.

**(b) A provider shall:**

**(1) maintain a written child discipline policy;**

**(2) ensure that all employees and volunteers follow the child discipline policy;**

**(3) provide the parent or legal guardian of each child cared for by the provider a written copy of the child discipline policy; and**

**(4) maintain in each child's file a copy of the child discipline policy that has been signed by the parent or legal guardian described in subdivision (3).**

**(c) A provider shall allow unscheduled visits by a parent or legal guardian to a facility where the provider operates a child care program during the hours the child care program is in operation.**

SECTION 11. IC 12-17.2-3.5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 8. (a) At least one (1) adult individual who maintains annual certification in a course of cardiopulmonary resuscitation applicable to all age groups of children cared for by a provider shall be present at all times when a child is in the care of the provider.

**(b) The following apply to an individual who**

**(1) is employed or**

**(2) volunteers**





as a caregiver at a facility where a provider operates a child care program:

**(1) The individual** shall maintain current certification in first aid applicable to all age groups of children cared for by the provider.

**(2) If the individual is:**

**(A) at least eighteen (18) years of age, the individual may act as a caregiver without supervision of another caregiver; or**

**(B) less than eighteen (18) years of age, the individual may act as a caregiver only if the individual:**

**(i) is at least fourteen (14) years of age; and**

**(ii) is, at all times when child care is provided, directly supervised by a caregiver who is at least eighteen (18) years of age.**

**(3) Not later than July 1, 2014, unless the provider is related to all children in the care of the provider, the individual shall annually receive at least twelve (12) hours of continuing education approved by the division and related to the development and care of children of the same age as the age of children who receive care at the facility.**

**(4) Not later than July 1, 2014, before beginning employment or volunteer duties, the individual must receive a formal orientation to the facility and the child care program.**

**(5) Not later than July 1, 2014, not more than three (3) months after the individual begins employment or volunteer duties, the individual must receive training approved by the division concerning child abuse detection and prevention.**

**(6) Not later than July 1, 2014, not more than three (3) months after beginning employment or volunteer duties caring for children who do not yet attend first grade, the individual must receive training approved by the division concerning the department of education's early learning guidelines.**

**(c) Not later than July 1, 2014, a provider shall:**

**(1) maintain at the facility where the provider operates a child care program documentation of all training required by this section; and**

**(2) make the documentation available to the division upon request.**

SECTION 12. IC 12-17.2-3.5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. **(a)** A provider shall have at least one (1) working telephone in each facility where the provider operates a child care program.

**(b) The telephone required by subsection (a) must be compatible with an automated time and attendance tracking system approved by the division.**



SECTION 13. IC 12-17.2-3.5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 10. (a) A facility where a provider operates a child care program must have two (2) exits that:

(1) do not require passage through a:

(A) garage; or

(B) storage area;

where hazardous materials are stored;

(2) are not windows;

(3) are on different sides of the facility;

(4) are not blocked; and

(5) are operable from the inside without the use of a key or any special knowledge.

**(b) Not later than July 1, 2015, in addition to the requirements specified in subsection (a), a room that is:**

**(1) where children who are not more than twenty-four (24) months of age receive care; and**

**(2) located in a facility where a provider operates a child care program;**

**must have at least one (1) exit that does not require the use of stairs.**

~~(b)~~ (c) A provider shall:

(1) conduct monthly documented fire drills:

(A) in accordance with the rules of the fire prevention and building safety commission; and

(B) that include complete evacuation of all:

(i) children; and

(ii) adults who provide child care;

in the facility;

(2) maintain documentation of all fire drills conducted during the immediately preceding twelve (12) month period, including:

(A) the date and time of the fire drill;

(B) the name of the individual who conducted the fire drill;

(C) the weather conditions at the time of the fire drill; and

(D) the amount of time required to fully evacuate the facility; and

(3) maintain a two and one-half (2 1/2) pound or greater ABC multiple purpose fire extinguisher:

(A) on each floor of the facility; and

(B) in the kitchen area of the facility;

in each facility where the provider operates a child care program.

**(d) A facility where a provider operates a child care program must meet the following requirements:**

**(1) If sixteen (16) or fewer children are cared for at the facility, the facility must have working smoke detectors and means of egress that meet the requirements that apply to child care homes under IC 12-17.2-5.**



**(2) If more than sixteen (16) children are cared for at the facility, the facility must meet the requirements specified in the building rules and fire safety rules adopted by the fire prevention and building safety commission.**

**(3) If more than one (1) facility where a provider operates a child care program is located in a single structure, each facility must:**

**(A) be separated from each other facility by walls and doors with a two (2) hour fire resistance rating; and**

**(B) individually meet all requirements of this section.**

SECTION 14. IC 12-17.2-3.5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 11. **(a)** A provider shall provide for a safe environment by ensuring that the following items are placed in areas that are inaccessible to the children in the provider's care:

**(1) Firearms and ammunition.**

**(2) Poisons, chemicals, bleach, and cleaning materials.**

**(3) Medications.**

**(4) Other items determined by the division, in rules adopted under section 15 of this chapter, to pose a danger to children.**

**(b) A provider shall do the following with respect to transporting children away from the facility where the provider operates a child care program:**

**(1) Obtain written permission from the child's parent to transport the child.**

**(2) Ensure that the child is transported only by an employee or a volunteer who:**

**(A) is at least eighteen (18) years of age;**

**(B) holds a valid driver's license; and**

**(C) transports the child in a properly licensed and insured motor vehicle.**

SECTION 15. IC 12-17.2-3.5-12, AS AMENDED BY P.L.142-2006, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 12. **(a)** Except as provided in subsection (f), a provider shall, at no expense to the state, maintain and make available to the division upon request a copy of a limited criminal history for:

**(1) the provider, if the provider is an individual;**

**(2) if the provider operates a child care program in the provider's home, any individual who resides with the provider and who is:**

**(A) at least eighteen (18) years of age; or**

**(B) less than eighteen (18) years of age but has previously been waived from juvenile court to adult court; and**

**(3) any individual who:**

**(A) is employed; or**

**(B) volunteers;**



1       ~~as a caregiver~~ at the facility where the provider operates a child  
 2       care program.

3       A provider shall apply for a limited criminal history for an individual  
 4       described in subdivision (3) before the individual is employed or  
 5       allowed to volunteer. ~~as a caregiver.~~

6       (b) In addition to the requirement under subsection (a), a provider  
 7       shall report to the division any:

- 8           (1) police investigations;
- 9           (2) arrests; and
- 10          (3) criminal convictions;

11       not listed on a limited criminal history obtained under subsection (a)  
 12       regarding any of the persons listed in subsection (a).

13       (c) A provider that meets the other eligibility requirements of this  
 14       chapter is temporarily eligible to receive voucher payments until the  
 15       provider receives the limited criminal history required under subsection  
 16       (a) from the state police department if:

17           (1) the provider:

18               (A) has applied for the limited criminal history required under  
 19               subsection (a); and

20               (B) obtains a local criminal history for the individuals  
 21               described in subsection (a) from each individual's local law  
 22               enforcement agency before the individual is employed or  
 23               allowed to volunteer; ~~as a caregiver~~; and

24           (2) the local criminal history does not reveal that an individual  
 25           has been convicted of a:

- 26               (A) felony;
- 27               (B) misdemeanor related to the health or safety of a child;
- 28               (C) misdemeanor for operating a child care center without a  
 29               license under IC 12-17.2-4-35; or
- 30               (D) misdemeanor for operating a child care home without a  
 31               license under IC 12-17.2-5-35.

32       (d) A provider is ineligible to receive a voucher payment if an  
 33       individual for whom a limited criminal history is required under this  
 34       section has been convicted of a:

- 35           (1) felony;
- 36           (2) misdemeanor related to the health or safety of a child;
- 37           (3) misdemeanor for operating a child care center without a  
 38           license under IC 12-17.2-4-35; or
- 39           (4) misdemeanor for operating a child care home without a  
 40           license under IC 12-17.2-5-35;

41       until the individual is dismissed from employment or volunteer service  
 42       at the facility where the provider operates a child care program or no  
 43       longer resides with the provider.

44       (e) A provider shall maintain a written policy requiring an  
 45       individual for whom a limited criminal history is required under this  
 46       section to report any criminal convictions of the individual to the



1 provider.

2 (f) The state police department may not charge a church or religious  
3 society any fees or costs for responding to a request for a release of a  
4 limited criminal history record of a prospective or current employee or  
5 a prospective or current volunteer of a child care ministry registered  
6 under IC 12-17.2-6 if the conditions set forth in IC 10-13-3-36(f) are  
7 met.

8 SECTION 16. IC 12-17.2-3.5-14 IS REPEALED [EFFECTIVE  
9 JULY 1, 2013]. ~~Sec. 14. (a) Notice of a determination made under this~~  
10 ~~chapter must be provided under IC 4-21.5-3-6.~~

11 ~~(b) A person affected by a determination made under this chapter~~  
12 ~~may seek administrative review under IC 4-21.5-3-7.~~

13 SECTION 17. IC 12-17.2-3.5-16 IS ADDED TO THE INDIANA  
14 CODE AS A NEW SECTION TO READ AS FOLLOWS  
15 [EFFECTIVE JULY 1, 2013]: **Sec. 16. (a) An employee or a**  
16 **volunteer shall immediately report to child protective services, the**  
17 **division, and local law enforcement authorities the employee's or**  
18 **volunteer's suspicion of physical abuse, sexual abuse, child neglect,**  
19 **or child exploitation of a child in the provider's care.**

20 **(b) A provider shall immediately notify the division and the**  
21 **parent or guardian of a child in the care of the provider**  
22 **concerning:**

23 **(1) an injury of the child that requires medical attention;**

24 **(2) the death of the child; or**

25 **(3) an emergency event involving the child.**

26 SECTION 18. IC 12-17.2-3.5-17 IS ADDED TO THE INDIANA  
27 CODE AS A NEW SECTION TO READ AS FOLLOWS  
28 [EFFECTIVE JULY 1, 2013]: **Sec. 17. (a) The division shall adopt**  
29 **rules under IC 4-22-2 to establish a list of violations of this article**  
30 **that would pose an immediate threat to the life or well-being of a**  
31 **child in the care of a provider.**

32 **(b) If an employee or agent of the division determines that a**  
33 **violation described in subsection (a) exists, the division shall:**

34 **(1) immediately suspend the provider's eligibility to receive a**  
35 **voucher under this chapter;**

36 **(2) issue an emergency or another temporary order under**  
37 **IC 4-21.5-4 requiring the provider to immediately cease**  
38 **operation of the child care program; and**

39 **(3) contact the parent or guardian of each child enrolled in the**  
40 **child care program to inform the parent or guardian:**

41 **(A) that the division has issued an order to require the**  
42 **provider to cease operation of the child care program; and**

43 **(B) of the reason for the order to cease operation;**

44 **pending the outcome of proceedings conducted under sections 20**  
45 **and 22 of this chapter.**

46 **(c) An emergency or another temporary order issued by an**



1 employee or agent of the division must be approved by the  
2 director.

3 (d) An approval under subsection (c) may be communicated  
4 orally to the employee or agent issuing the order. However, the  
5 division shall maintain a written record of the approval.

6 SECTION 19. IC 12-17.2-3.5-18 IS ADDED TO THE INDIANA  
7 CODE AS A NEW SECTION TO READ AS FOLLOWS  
8 [EFFECTIVE JULY 1, 2013]: **Sec. 18. The division may suspend a**  
9 **provider's eligibility to receive a voucher payment under this**  
10 **chapter for any of the following reasons:**

11 (1) The provider fails to comply with this chapter.

12 (2) The provider refuses to allow, during normal business  
13 hours, the division or an agent of the division to inspect the  
14 facility where the provider operates a child care program.

15 (3) The provider is determined by the division to have made  
16 false statements in the provider's:

17 (A) application for eligibility to receive a voucher  
18 payment; or

19 (B) records required by the division;  
20 under this chapter.

21 (4) The provider fails to correct a problem identified by the  
22 division within the period required by the division.

23 (5) Three (3) or more problems occurring within a twelve (12)  
24 month period are identified by the division, regardless of  
25 whether the provider corrects the problems within the period  
26 required by the division.

27 (6) Credible allegations of fraud have been made against the  
28 provider, as determined by the division.

29 (7) Criminal charges of welfare fraud have been filed against  
30 the provider.

31 SECTION 20. IC 12-17.2-3.5-19 IS ADDED TO THE INDIANA  
32 CODE AS A NEW SECTION TO READ AS FOLLOWS  
33 [EFFECTIVE JULY 1, 2013]: **Sec. 19. The division may revoke a**  
34 **provider's eligibility to receive a voucher payment under this**  
35 **chapter for any of the following reasons:**

36 (1) Any of the reasons for suspension described in section  
37 18(1) through 18(5) of this chapter.

38 (2) Allegations of welfare fraud committed by the provider  
39 have been substantiated by the division.

40 SECTION 21. IC 12-17.2-3.5-20 IS ADDED TO THE INDIANA  
41 CODE AS A NEW SECTION TO READ AS FOLLOWS  
42 [EFFECTIVE JULY 1, 2013]: **Sec. 20. Except as provided in section**  
43 **17 of this chapter, the division shall give a provider thirty (30)**  
44 **calendar days written notice by certified mail of an enforcement**  
45 **action against the provider. The provider shall also be provided an**  
46 **opportunity for an informal meeting with the division. The**



1 provider must request the informal meeting within ten (10)  
2 working days after receipt of the certified notice.

3 SECTION 22. IC 12-17.2-3.5-21 IS ADDED TO THE INDIANA  
4 CODE AS A NEW SECTION TO READ AS FOLLOWS  
5 [EFFECTIVE JULY 1, 2013]: **Sec. 21. (a) An administrative hearing**  
6 **concerning the decision of the division to impose a sanction under**  
7 **this chapter shall be provided upon a written request by the**  
8 **provider. The request must be made within thirty (30) calendar**  
9 **days after the provider receives an order under section 17 of this**  
10 **chapter or a notice under section 20 of this chapter. The written**  
11 **request must be made separately from an informal meeting request**  
12 **made under section 20 of this chapter.**

13 **(b) The administrative hearing shall be held within sixty (60)**  
14 **calendar days after the division receives the written request.**

15 SECTION 23. IC 12-17.2-3.5-22 IS ADDED TO THE INDIANA  
16 CODE AS A NEW SECTION TO READ AS FOLLOWS  
17 [EFFECTIVE JULY 1, 2013]: **Sec. 22. The division shall issue a**  
18 **decision within sixty (60) calendar days after the conclusion of a**  
19 **hearing held under section 21 of this chapter.**

20 SECTION 24. IC 12-17.2-3.5-23 IS ADDED TO THE INDIANA  
21 CODE AS A NEW SECTION TO READ AS FOLLOWS  
22 [EFFECTIVE JULY 1, 2013]: **Sec. 23. To reinstate a provider's**  
23 **eligibility to receive a voucher payment under this chapter after**  
24 **suspension, the following must occur:**

25 **(1) The provider must, within thirty (30) days after receiving**  
26 **notice of the suspension, submit a plan of corrective action to**  
27 **the division for approval.**

28 **(2) The plan must outline the steps and timetable for**  
29 **immediate correction of the violations that caused the division**  
30 **to suspend the eligibility.**

31 **(3) The division must approve the plan.**

32 SECTION 25. IC 12-17.2-3.5-24 IS ADDED TO THE INDIANA  
33 CODE AS A NEW SECTION TO READ AS FOLLOWS  
34 [EFFECTIVE JULY 1, 2013]: **Sec. 24. Following the suspension of**  
35 **a provider's eligibility to receive a voucher payment under this**  
36 **chapter, the division shall do one (1) of the following:**

37 **(1) Reinstate the eligibility.**

38 **(2) Except as provided in subdivision (3), extend the**  
39 **suspension for not more than six (6) months.**

40 **(3) If criminal charges for welfare fraud are pending against**  
41 **the provider, extend the suspension until the criminal matter**  
42 **is resolved.**

43 **(4) Revoke the eligibility.**

44 SECTION 26. IC 12-17.2-3.5-25 IS ADDED TO THE INDIANA  
45 CODE AS A NEW SECTION TO READ AS FOLLOWS  
46 [EFFECTIVE JULY 1, 2013]: **Sec. 25. (a) After a provider's**



1 eligibility to receive a voucher payment under this chapter is  
 2 revoked or suspended, the division shall publish notice of the  
 3 revocation or suspension under IC 5-3-1 and notify in writing each  
 4 person responsible for a child in the care of the provider that the  
 5 eligibility has been revoked or suspended, including the reason for  
 6 the revocation or suspension.

7 (b) The written notice shall be sent to the last known address of  
 8 each person responsible for a child in the care of the provider.

9 SECTION 27. IC 12-17.2-3.5-26 IS ADDED TO THE INDIANA  
 10 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 11 [EFFECTIVE JULY 1, 2013]: **Sec. 26. An administrative review and**  
 12 **a hearing conducted under this chapter must be conducted under**  
 13 **rules adopted by the division under IC 4-22-2.**

14 SECTION 28. IC 12-17.2-3.5-27 IS ADDED TO THE INDIANA  
 15 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 16 [EFFECTIVE JULY 1, 2013]: **Sec. 27. (a) Upon receiving notice of**  
 17 **a claim of abuse or neglect in a facility where a provider operates**  
 18 **a child care program described in IC 12-17.2-3.5, the department**  
 19 **of child services shall:**

20 (1) forward a copy of the notice to the division; and

21 (2) conduct an investigation of the claim.

22 (b) After an investigation under subsection (a), the department  
 23 of child services shall make a determination of whether abuse or  
 24 neglect occurred at the facility.

25 (c) If the department of child services makes a determination  
 26 under IC 31-33-8-12 that abuse or neglect at the facility is  
 27 substantiated, the department shall send a copy of the  
 28 department's report to the appropriate office of the division.

